

MEMORANDUM FOR: [REDACTED] ODP/SA

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SUBJECT : The Security of CIA

REFERENCE : Memorandum from [REDACTED]
to Acting Deputy Director of Security,
dated 26 July 1963, Subject: The
Security of CIA

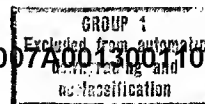
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1. Attached is a two-part response to Reference. Part I is a statement on "Transitions in Security" by the Director of Security reflecting on the implications to security programming of changes in intelligence procurement procedures through the years; Part II is a composite which blends the observations of many of our Headquarters and field personnel who were polled and asked for a random sampling of security problems within the Clandestine Services as seen from their vantage points.

2. It should be stressed that the listing of problems in the attached in no sense constitutes a perfect enumeration. First, it is not exhaustive. Many other problems could be mentioned on the basis of data now on hand; time permitting, additional research would undoubtedly surface still more areas of difficulty and concern. Secondly, the problems mentioned are not mutually exclusive -- actually, they overlap considerably. The listing therefore should be taken, as intended, as a random sampling, as a basis for further discussion, as a starting point for long-range interaction between the Clandestine Services and the Office of Security as problem solving efforts are undertaken.

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3. It is strongly felt here that probing these problems in depth will prove that usually the basis of the difficulty is not in an inadequate program, inadequate regulations, etc., but rather in the tendency of some to ignore the program, to circumvent the regulations or even to adopt a scofflaw attitude while pleading the case of operational expediency.

4. Also worthy of underscoring is the point that these problem areas are not recent discoveries of ours. Many of them are rather old stories that have been resistant to solution. All of them are under study and all are receiving attention.

5. Your aim to produce an objective, constructive study without criticism or blame is appreciated and our efforts, now and in the future, will carry the same intensions.


Acting Director of Security

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TRANSITIONS IN SECURITY

In 1946 when the Central Intelligence Group came into being, the security policies for the eventual CIA program were first formulated. The policies were predicated on the organizational and operational concepts then set forth for the future CIA with specific emphasis on the security of personnel, physical assets, informational controls and the principle of "need-to-know" in the dissemination and disclosure of intelligence. The Agency was small in size and the concept of the intelligence community and its inter-relationships were basically projections from the planning board. The DDI and the DDS were rather small organizations both in program and operational concepts. The DDP as a carry-over from OSS was the largest component in the Agency. The DDP (OSO) was the principal collector of intelligence and supplied a large percentage of the Agency intelligence take, also a considerable amount of economic intelligence was derived by the DDI from open publication sources and other intelligence from COMINT sources. At this time DDP (OSO) to a large extent operated as a self-enclosed component of the Agency and knowledge of its personnel, their activities, methods of operations and programs were tightly contained and not revealed outside of DDP.

Also at this time the coordination of intelligence analysis and intelligence collection with the other components of the intelligence community was rather limited. The other agencies were in a developmental stage endeavoring to formulate their policies and concepts of operations. The intelligence components of the other departments and agencies of the community did not enjoy stature or position within their respective departments and the impact of their activities was little felt or acknowledged.

There followed a period of slow gradual development in each component of CIA and the same situation obtained with the intelligence components in the rest of the intelligence community. In the latter part of 1949 the ideas of covert political action and psychological warfare were being considered. The invasion of South Korea in June 1950 overnight changed the cautious developmental approach to active intelligence programming. The OPC concept was introduced and a terrific drive was initiated in recruitment of personnel, assets and various programs for political action were initiated. At this time OPC and OSO while under one head operated as two separate units, generally coordinating their activities with each other.

Up to this time the security concepts of OSO operations were hand-tailored with a careful application of operational security techniques to each form of operation. Operational projects were generally small in size and the operational security principles could be readily applied. With the advent of OPC, however, the nature of the new programs created immediate security difficulties. This was occasioned by the inexperience of the personnel, the initiation of large-scale programs generally characterized by loose or indirect control over the project activities. The traditional concept of a case officer controlling the agent or the activities became qualified and diluted because of the size and scale of the operations involved. The indirect nature of operating a political action program together with the elusive or the indefinable nature of the results of such action did not permit positive security controls. Political action did not lend itself to the analysis of project results and the performance and accomplishment of the individuals engaged in the program.

As a result, the security barriers controlling OSO activities and operations began to break down through the impact of these factors and the identity of OSO personnel, projects, activities, techniques and methods of operation began to become more widely known. The subsequent integration of OSO and OPC accelerated this trend. In view of the larger scale of

involvement in a multitude of activities, DDP necessarily had to reveal and share more and more basic information concerning clandestine activities.

During this period DDP continued to be the principal producer of intelligence. However, DBI was now producing basic and current intelligence on a much larger scale than heretofore. The intelligence community was growing and closer coordination was developing but each was operating rather independently with its own rules, regulations, security concepts and procedures. There were quite wide variations in the degree and extent of the security controls between the departments and agencies. None equated to the strict security standards of CIA. There were wide variations of what constituted "need-to-know", also source protection varied according to the professionalism and public posture of different departments and agencies.

In 1955 the U-2 program was launched and overnight a vast new source of intelligence came into being. Intelligence requirements and priorities were levied as the concept of photographic intelligence fully came into being. This intelligence became the principal source of that information concerned with the military and political posture of the Government and the national security. The U-2 introduced an intelligence collection program involving field operations with completely overshadowed the concept of Area Division responsibilities thus introducing on a principal scale a special program operating on a world geographical basis. The development of the field of technical intelligence was rapidly coming into being with its principal control and direction coming from the DBI. The techniques of collection were highly technical and the exploitation of the intelligence so derived was through highly technical means and processes. The shift of the principal source of intelligence collection was moving away from the traditional DDP methods into the technical and scientific field. This trend was given additional acceleration with the launching of the first Russian Sputnik in 1957 and overnight scientific and technical intelligence relating to the national security became

know" was being qualified to maintain operations. Judgment in effect was being passed upon Agency operations in order to obtain approval of cooperation by participating departments and agencies.

In September 1958 the United States Intelligence Board was created and a much greater degree of organization and coordination resulted. The definitions of responsibility were more clearly drawn and out of this grew greater controls and an increase in uniformity of procedures. This was particularly true in the security field where the quite wide variation in security policies, practices and procedures became extremely important in the efforts to protect the extremely sensitive intelligence now flowing freely in great volume to the members of the intelligence community. Considerable progress in this regard was made by the Security Committee of the USIB accelerated by a series of events, defections, unauthorized disclosures and compromises of sensitive information relating to the national security.

The programs of intelligence no longer could be operated on a case officer basis. The vast increase in the intelligence product and the emphasis on scientific intelligence forced the closest coordination and exchange of information among the ten departments and agencies of the intelligence community. All programs were caught up in this current. The Deputy Directors now find themselves in the position of revealing more and more of their operations, assets and capabilities under the pressures to coordinate in the highly intricate world-wide programs. The initiation of country political action programs and even hemispheric political action programs where the assets of the entire government are brought to bear to achieve a political action in countering the Communist threat, further force all components to give more and more information as to their internal operations, programs and assets. In like manner this metamorphosis is continued through the very close coordination and cooperation with foreign governments and foreign intelligence services.

The DDP Field Stations and Bases are now engaged in, or are supporting, a multitude of activities, many of which were

never envisioned in the early days of 1946. These activities encompass truly covert programs together with many programs which are semi-covert or almost overt in nature. More and more the truly covert assets in the clandestine intelligence field are being drawn in to support overt type programs of a political, psychological and cultural nature. There is clearly an erosion in the control of the information relating to truly clandestine activities. This erosion, however, is not the result of security regulations, controls, practices or procedures but clearly stems from the prerogative of the head of each service, namely, the control of the "need-to-know" of information. Each Chief of component must determine what information relating to his activities should be revealed within the departments, the intelligence community and the controller informational reporting flow. If a Chief sees an erosion of knowledge concerning his source and method assets, he must take that action which more adequately controls or protects this knowledge. At the same time he must review his programs as to whether or not truly clandestine or sensitive source programs have become interwoven with overt activities and committed on behalf of those activities where he now no longer controls his programs. Along with this has been the departure from the highly personal control of source and the cover of source that went with agent-type operations. Scientific intelligence involves highly "impersonal" sources for which different concepts of cover and control have evolved. There is clearly less care and concern over "impersonal" sources of intelligence in that few people know or understand the criticality of these sources and the manner in which they operate in the collection of intelligence. As this gradual development takes place, other personal sources are inexorably drawn into this concept.

The time is clearly at hand when the sensitivity of sources and the importance of those sources to the national security should be differentiated from the vast area of activities and programs engaged in routing intelligence collection and in support of collateral political, psychological and

economic action. The sensitive sources should be separated from the mainstream, carefully controlled and protected and the information derived therefrom should be reported in the substance and not revealing of the sensitive sources and methods by which that information was obtained. This can be done without negating the substance and timeliness of the information involved. Efforts along this line are being made in the programs of highly compartmented intelligence such as communications intelligence, TKH and [REDACTED] and certainly should be applied in the field of clandestine intelligence. This principle, however, must be recognized and the categories of information and the sensitivity of sources determined; and therefrom, a program of careful control and protection applied. Again, the security regulations, practices and procedures are the means by which these actions can be accomplished but it is the "need-to-know" which must be defined and this is the responsibility of the head of each intelligence component.

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I. Security Problems Within Clandestine Services From Standpoint of Investigations Division

- A. The Investigations Division of the Office of Security has a well defined and extensive responsibility in the field of covert clearances. It works within the framework and authority of [REDACTED] dated 17 July 1958. To discharge this responsibility, it directs the conduct of all investigations initiated for clearance purposes. It evaluates pertinent information regarding persons of covert interest to the Agency and either approves or recommends disapproval with respect to the security acceptability of the various categories of covert personnel. In addition to the above basic responsibility, the Investigations Division maintains close and continuous follow up of Agency Project activities, prepares hand tailored clearances to best service special requirements and is continuously available to offer advice on any covert security clearance matters which may arise.**
- B. To discharge the above the Investigations Division has delegated the covert security and operational approval responsibilities on a strictly functional basis to two branches within the Division. Specifically, Branch 1 processes the requests for clearances of non-staff personnel to be covertly utilized by area components of the DD/P on a worldwide basis. It directs and supervises the conduct of field investigations and checks of United States Government Agencies and other sources on individuals to be utilized either in an operational or support capacity under such circumstances that would require a Covert Security Approval, a Proprietary Approval or an Operational Approval. Branch 2 processes all cases**

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involving covert clearances and actions on individuals being considered for covert employment, contact, consultation or utilization in a support capacity by all non-area Division DD/P components, as well as components of the DD/S and DD/R except [REDACTED] and OEA. It monitors and supervises the field investigative efforts and evaluates the results of investigations in terms of the nature and sensitivity of the contemplated utilization of individuals proposed for clearance. Clearances are granted or disapprovals are recommended where Covert Security Clearances, Covert Security Approvals or Proprietary Approvals are involved, and appropriate recommendations are furnished to CI/OA in the cases involving Operational Approvals. Both branches conduct continual research of organizations and personalities of security significance for reference in evaluating requests for covert clearances or approvals. They also give security advice to other components of the Agency with respect to the utilization and suitability of individuals of interest. They give guidance on the implementation, operation and control of covert projects.

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- C. The thoroughness and the extent of the field investigation in all cases is of course governed by the limitations induced by considerations such as cover, the exigencies of the operational requirements, the sensitivity of the proposed usage, the sensitivity of the project involved. In select cases, the branches have the added advantage of resorting to the polygraph program to assist in coming to a proper security determination.
- D. It is felt that areas of potential weakness or vulnerability in current covert security procedures are minimal. The procedures in use currently have been

developed over the past 10 to 15 years and are considered to be most efficient and secure for our purposes. Where weaknesses, erosion and perhaps vulnerability may be discerned, it is felt that these are due to the many extraneous factors that come into play in the processing of the covert clearance requests. Such factors may include extremely short deadlines, very demanding operational requirements, excessive work loads, operation of factors beyond the control of the Division and Security Office (labor laws, etc.) loose security practices by initial requestors, etc. In support of the above statement, there are submitted a number of illustrations.



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E. No attempt will be made here to solve all the problems mentioned and/or implied above since an analysis in depth involving the Clandestine Services and the Office of Security is clearly indicated. Two quick but dependable suggestions, however, are offered:

- 1. The Branches of the Investigations Division feel that the appointment of qualified security officers in the Area Divisions needing same would prove of great benefit to the inexperienced case officers and would enhance clearance procedures immeasurably, e.g. Africa Division.**
- 2. A thorough restudy and possible revamping of the Contract Agent, Contract Employee and Career Agent categories by which channels many individuals, sometimes questionable ones, go up and are used without specific approval for specific utilization.**

II. Security Problems Within Clandestine Services From Standpoint of Personnel Security Division

- A. The Personnel Security Division of the Office of Security concerns itself with the evaluation of the suitability of persons for employment with, assignment to, or use by the Agency, except Agent personnel, and with the monitoring of Agency personnel activities having security implications. This Division forwarded certain points as examples of problem areas. They are described in the paragraphs below.**
- B. Cover - areas of weakness or vulnerability in current procedures include the methods of obtaining**

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- C. Use or misuse of the POA, OA, PCSA and other security clearance systems are easy to document.



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2. There is a basis for the suspicion that case officers rely unduly on the POA/OA system. They go ahead with use and with disclosures as though they had a full security clearance to go on.

- D. Another area of difficulty involves the current classification of the Agency's population into:

Staff Personnel

Contract Personnel (Contract Employees; Contract Agents; Career Agents)

Consultants

Detached Personnel

It is now impossible to tell if subjects of some security action are Agents or Employees. Doctors working on a fee basis within the Medical Staff are sometimes Contract Agents; so are some instructors in OTR. The terms and the categories they describe have become very confused. Joint effort should be applied to clearing up this area.

- E. Another area of interest: security flaps resulting from lack of supervisory responsibility. An example is the man who last year dropped out of sight in Europe for several days. His supervisor, "not wanting to pry," didn't ask his plans. Related to this is the tendency

on the part of some supervisors to attempt to use the Office of Security or the Medical Staff as a scapegoat or at least as a substitute for effective supervisory action. Problem cases may be "run through" the Medical Staff routinely in the hope that emotional or psychiatric problems will be surfaced and that the Medics will take action.

III. Security Problems Within Clandestine Services From Stand-point of Physical Security Division

- A. The Physical Security Division conducts research on, develops, tests, establishes and maintains safeguards and techniques for the protection of classified information and the prevention of physical penetration of Agency activities by unauthorized persons; monitors through inspections and investigations as necessary, the compliance with security policies or regulations; and plans and implements the Agency safety and fire prevention program. This division submitted observations on six areas of concern related to the Clandestine Service. These observations are not inclusive of all the points of weakness that exist but they do highlight the sorts of difficulties under study at the moment within the Office of Security.
- B. Safeguarding Equipment - There are currently in use overseas approximately [REDACTED] safes which should be replaced because they are of inferior design and/or inferior materials. The solution lies in having a sufficient allocation of funds to enable overseas installations to program the orderly replacement of insecure safeguarding equipment over the next few years.

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mentioned now is indicative of one inescapable fact: they have not been solved; they are still problems. If restating them now leads to steps toward improvement, the effort is justified.

- B. This paper is viewed as a first-step, the beginning of the study. It is assumed that written and verbal follow-ups will occur in the months ahead.

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